

MINUTES OF ADJOURNED REGULAR MEETINGS OF
THE CITY COUNCIL AND THE REDEVELOPMENT AGENCY
OF THE CITY OF CHULA VISTA

July 9, 2002

6:00 p.m.

Adjourned Regular Meetings of the City Council and the Redevelopment Agency of the City of Chula Vista were called to order at 6:40 p.m. in the Council conference room, located in City Hall, 276 Fourth Avenue, Chula Vista, California.

ROLL CALL:

PRESENT: Agency/Councilmembers: Davis, Padilla, Rindone, Salas, and
Chair/Mayor Horton

ABSENT: Agency/Councilmembers: None

ALSO PRESENT: Executive Director/City Manager Rowlands, City Attorney
Kaheny, and City Clerk Bigelow

CONSENT CALENDAR

1. APPROVAL OF MINUTES: June 4, 2002

Staff recommendation: Agency approve the minutes.

ACTION: Chair/Mayor Horton moved to approve the minutes and offered the Consent Calendar, heading read, text waived. Agency/Councilmember Davis seconded the motion, and it carried 5-0.

ORAL COMMUNICATIONS

There were none.

ACTION ITEMS

2. ORDINANCE NO. 2862, ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING CHAPTER 9.50 OF THE CHULA VISTA MUNICIPAL CODE RELATING TO MOBILEHOME PARK SPACE RENT REVIEW

On January 15, 2002, staff presented to Council a series of amendments to Chapter 9.50 of the City's Municipal Code, the Mobilehome Space Rent Review Ordinance. The proposed amendments addressed concerns regarding difficulties in implementing and administering the ordinance, increasing housing costs, general safety and welfare of residents of mobilehome communities, providing clearer direction and definitions, and providing consistency with state mobilehome residency law. Testimony of many park residents supported the major proposed amendments, with the exception of eliminating vacancy control regulations. Council directed staff to work with representatives of park residents and park owners on the issue of vacancy control. The proposed amendments to the ordinance include alternative language to allow for an automatic rent increase upon change of ownership based upon a fixed percentage or a sliding scale. (Community Development Director)

ACTION ITEMS (Continued)

Steve Molski submitted a letter proposing a flat rate. He stated that park tenants should be protected and that park owners are making enormous profits. Although they are entitled to a fair and just return on their dollars, they are being greedy. Mr. Molski supported staff's recommendation but believed there were still issues that needed to be addressed.

Bob Axen, representing Granada Mobile Homes, opposed staff's recommendation, stating that park owners are already making a just return on rents, and seniors need an affordable place to live. He believed that there were no incentives for owners to negotiate rents, and he asked the Council to support affordable housing for seniors.

Barbara Nunheley, a Jade Bay Mobile Park resident, spoke in support of staff's recommendation, stating that there was a need for communication and respect between park owners, managers and tenants. She commented that ongoing sewer problems in the park have not been addressed, and the park owner needs to provide proof that rent increases are necessary.

Dennis Chaffee opposed the proposed ordinance but spoke in support of the proposed park inspections. He stated that the present rent system is out of control, and park residents are intimidated by park owners. He expressed the need for improved vacancy decontrol.

Jack Doyle, representing Chula Vista park owners, expressed concern that the proposed ordinance only addresses two of three issues and does not include the section that was negotiated and agreed upon to benefit the owners. He encouraged the Council to consider instituting a mediation process between park residents and owners and also to consider the fairness and integrity of the process rather than make politically motivated decisions.

Edward Nagorski supported the proposed ordinance, stating that if a park owner believes that rental prices in his park are not high enough, he has the right to a hearing before the Rent Review Commission to prove that his income is less than a fair and just return on his property. He asked the Council not to allow park owners the opportunity to drive home owners out of their homes by raising space rents to unreasonable levels.

Eva Burbach, a Brentwood Park mobilehome owner, supported the proposal, stating that the park generators only provide partial electricity to the residents, and the overall park amenities are in need of improvements. She stated that the park residents had sued the owners two years ago over inadequate facilities, but no improvements have been made. She believed that rents should not be increased. Mayor Horton responded that the City's code enforcement staff would inspect the reported electricity failures and sewer system complaints in the park.

Norma Runyan, a Brentwood Park mobilehome owner, spoke in favor of the proposal. She stated that she has received no information from the park owner regarding ongoing concerns regarding the electrical problems. She added that the trees in the park are overgrown, and the swimming pool has been closed since the beginning of July 2002. Ms. Runyan stated that there is no way to reach the park owner, and there is currently no on-site manager. She also stated that the park residents won a lawsuit against the owner, and she believed that the park owner did not deserve any rent increases until the park is in compliance with regulations.

ACTION ITEMS (Continued)

Allen Meredith, president of the J-Bay Homeowners Association, spoke in favor of the proposal, specifically the enforcement of Title 25. He stated that improvements to the park have been made at the expense of the residents. The park owner currently owns five units that have been vacant for over a year and has also modified the park from a senior park to an all-age park. Mr. Meredith believed that any rent increases should be tied to cost of living and social security increases.

Pat LaPierre spoke in support of the ordinance, stating that it assists those with code enforcement problems and requires owners to justify increases. He stated that the park tenants are not receiving a good return for their rental dollar.

Robert Crane favored the ordinance, stating that it is time to move forward with a decision.

Daniel Cacho, a partner in Don Luis Estates, opposed the proposed ordinance. He pointed out that the issue started out as a good faith effort to establish a packaged deal between park owners and residents but has since become one-sided and geared unfairly toward park residents. He believed that the language added to the ordinance provides the City with the power to manipulate changes at any time, particularly during election periods. He stated that the City has the right to conduct park inspections at any time, and he believed that the proposed amendments would hurt the park owners. Mr. Cacho opined that as a park owner, rent control was taking away his property rights. He asked the Council to consider the effects of its decision on future real estate markets and property rights for owners. He added that since expenses to manage family parks are higher, park owners should have the ability to charge more than the Consumer Price Index increase.

Tom Teagle, Chair of the Mobilehome Rent Review Commission, expressed the need to tie automatic CPI increases to the condition of the parks. He believed that those parks providing substandard facilities to residents should not be entitled to automatic CPI increases and also that, although the proposed ordinance is a good one, there are still problems that need to be addressed.

Al Vargas, representing Granada Mobile Estates, stated that the park owner has provided a beautiful park for its tenants and has the right to make a fair return on her investment.

Ralph Brown stated that there are park owners who provide quality living conditions at a reasonable cost to the tenants.

Dorris Sullivan, a tenant at Don Luis Park, reported that the park residents had to fight the park owners over a recent blanket rent increase. Should deregulation be implemented, tenants will lose prospective buyers and will be forced to sell their coaches to the park owners. She added that the park owners are not willing to negotiate on a fair basis and do not respect their tenants.

Agency/Councilmember Padilla stated that the proposed ordinance is the result of a lot of work over a long period of time. Although the ordinance is not perfect, it represents good, sound public policy and a significant improvement over the current ordinance. He believed that the current situation cannot be allowed to continue and that some level of review will help keep mobilehome parks in good condition and maintain livable rents. He explained that the proposed ordinance will: provide an inspection and enforcement program that will dedicate City staff to inspect the parks to ensure compliance with the law; not allow an automatic, 100 percent increase tied to the cost of living; increase the level of review; limit rent increase and maintain the current system of review upon vacancy control; and provide language which will specify that the Commission has the authority to request all the information it needs to make its decisions. He stated that the proposed ordinance is good public policy, is moderate, and is fair to both sides.

ACTION ITEMS (Continued)

decisions. Agency/Councilmember Padilla stated that the proposed ordinance is good public policy and is a moderate one that is fair to both sides.

Agency/Councilmember Davis believed that moving forward with the proposed ordinance would be to the betterment of all those involved.

Agency/Councilmember Salas spoke in support of the proposed ordinance, which she believed was fair to all. She stated that code enforcement should provide assistance to those tenants who do not know how to access the system.

Agency/Councilmember Rindone spoke in support of the proposed ordinance, stating that the rent stabilization component of the ordinance will continue to improve the lifestyles and opportunities of the residents. He added that the City must continue to be vigilant and allow the opportunity for amicable future enhancements between owners and residents.

Chair/Mayor Horton spoke regarding the disparity in conditions of the parks within the City. She stated that several parks, particularly the trailer parks, most likely have major health and code violations, and she believed that the City needs to work with those property owners to seek alternative uses for the betterment of the tenants and to provide improved affordable housing. Chair/Mayor Horton asked staff to return to the Council with a report on the matter.

ACTION: Agency/Councilmember Salas offered Ordinance No. 2862, heading read, text waived. Agency/Councilmember Padilla offered an amendment to the motion to include language that clarifies that a park owner and the City, at their discretion, may retain an independent appraiser. Agency/Councilmember Salas agreed to the amendment. Agency/Councilmember Davis seconded the motion as amended, and it carried 5-0.

3. COUNCIL RESOLUTION NO. 2002-247, AND AGENCY RESOLUTION NO. 1788, RESOLUTION OF THE CITY COUNCIL AND THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA DIRECTING STAFF TO IMPLEMENT A CODE ENFORCEMENT PROGRAM FOR INSPECTING MOBILE HOME PARKS AND PROVIDING FIELD SUPPORT FOR THE COMMUNITY HOUSING IMPROVEMENT PROGRAM, ADDING ONE SENIOR CODE ENFORCEMENT OFFICER; AND AMENDING THE FY03 BUDGET AND APPROPRIATING FUNDS THEREFOR

The preservation and improvement of affordable housing is critical to the long-term interests of the City. Therefore, a proposed new Senior Code Enforcement Officer position will be assigned the responsibility of conducting inspections of mobilehome parks and providing field assistance to the Community Housing Improvement Program (CHIP). Due to financial limitations imposed by the State of California, the existing Title 25 mobilehome park inspection program is not staffed at a level that can adequately respond to the deteriorating conditions found in some of the City's mobilehome and trailer parks. This position would supplement those efforts and be funded from a combination of the General Fund and the Redevelopment Low and Moderate Income Housing Fund. (Community Development Director; Planning and Building Director)

ACTION ITEMS (Continued)

Housing Coordinator Arroyo stated that the position will actually not require the use of monies from the General Fund and that the item required a 4/5th's vote by the Agency/Council.

ACTION: Agency/Councilmember Rindone offered Council Resolution No. 2002-247 and Agency Resolution No. 1788, heading read, text waived. The motion carried 5-0.

OTHER BUSINESS

4. DIRECTOR'S REPORTS

There were none.

5. CHAIR/MAYOR REPORTS

There were none.

6. AGENCY/COUNCIL COMMENTS

There were none.

ADJOURNMENT

At 8:30 p.m., Chair/Mayor Horton adjourned the meeting to a Regular Meeting of the Redevelopment Agency on July 16, 2002, at 6:00 p.m., immediately following the City Council meeting.

Susan Bigelow, CMC, City Clerk